

Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105
Telephone: (213) 576-6982

FILED

OCT 02 2024

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation against :

No. H-05764 SD

FEDERAL HOME LOANS CORPORATION

**STIPULATION AND
AGREEMENT**

and

EVANGELINE MICHAEL SALAS,
as designated officer of Federal Home Loans
Corporation;

Respondents.

It is hereby stipulated by and between Respondents FEDERAL HOME LOANS CORPORATION (FHLC) and EVANGELINE MICHAEL SALAS (SALAS), represented by Frank M. Buda, Esq./Law Office of Frank Buda, and the Complainant, acting by and through Julie L. To, Counsel for the Department of Real Estate ("Department" or "DRE"), as follows for the purpose of settling and disposing of the Accusation filed on October 10, 2023 in Department of Real Estate Case No. H-05764 SD, in this matter.

H-05764 SD: Stipulation & Agreement: FHLC & Salas

1 1. All issues which were to be contested and all evidence which was to be
2 presented by Complainant and Respondent at a formal hearing on the Accusation (Accusation),
3 which hearing was to be held in accordance with the provisions of the Administrative Procedure
4 Act (APA), shall instead and in place thereof be submitted solely on the basis of the provisions
5 of this Stipulation and Agreement (Stipulation).

6 2. Respondents have received, read, and understand the Statement to
7 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department of
8 Real Estate in this proceeding.

9 3. On or about November 6, 2023, Respondents timely filed Notices of
10 Defense pursuant to Section 11505 of the Government Code for the purpose of requesting a
11 hearing on the allegations in the Accusation. Respondents hereby freely and voluntarily
12 withdraw said Notices of Defense. Respondents acknowledges that they understand that by
13 withdrawing said Notices of Defense they thereby waives their right to require the Real Estate
14 Commissioner (Commissioner) to prove the allegations in the Accusation at a contested hearing
15 held in accordance with the provisions of the APA, and that they waives other rights afforded to
16 them in connection with the hearing such as the right to present evidence in their defense of the
17 allegations in the Accusation and the right to cross-examine witnesses.

18 4. This Stipulation is based on the factual allegations contained in the
19 Accusation. In the interest of expediency and economy, Respondents choose not to contest these
20 factual allegations, but to remain silent and understands that, as a result thereof, these factual
21 allegations, without being admitted or denied, will serve as a prima facie basis for the
22 disciplinary action stipulated to herein. The Commissioner shall not be required to provide
23 further evidence to prove such allegations.

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1 5. This Stipulation and Respondents' decision not to contest the Accusation
2 are made for the purpose of reaching an agreed disposition of this proceeding and are expressly
3 limited to this proceeding and any other proceeding or case in which the Department, the state or
4 federal government, an agency of this state, or an agency of another state is involved, and shall
5 not be otherwise admissible in any other criminal or civil procedure. Respondents further
6 understand that the sustained violation(s) may be considered in any future administrative or
7 disciplinary matters by the Department.

8 6. It is understood by the parties that the Commissioner may adopt this
9 Stipulation as the Commissioner's Decision in this matter, thereby imposing the penalty and
10 sanctions on Respondents' real estate licenses and license rights as set forth in the "Order"
11 below. In the event that the Commissioner in her discretion does not adopt the Stipulation and
12 Agreement, the Stipulation shall be void and of no effect, and Respondents shall retain the right
13 to a hearing and proceeding on the Accusation under the provisions of the APA and shall not be
14 bound by any admission or waiver made herein.

15 7. The Order or any subsequent Order of the Commissioner made pursuant to
16 this Stipulation shall not constitute an estoppel, merger, or bar to any further administrative or
17 civil proceedings by the Department with respect to any matters which were not specifically
18 alleged to be causes for Accusation in this proceeding but do constitute a bar, estoppel and
19 merger as to any allegations actually contained in the Accusation against Respondents herein.

20 8. Respondents understand that by agreeing to this Stipulation and pursuant
21 to Code Section 10106, Respondents agree to be jointly and severally liable for payment of the
22 cost of the audit (audit costs) which led to this disciplinary action, Audit SD220013/SD220016.
23 The amount of said audit costs for the audit examination (Audit SD220013/SD220016) is
24 \$13,232.28. Respondents agree to pay, pursuant to Code Section 10106, the amount \$13,232.28
25 for the cost of Audit SD220013/SD220016.

1 9. Respondents have received, read, and understand the "Notice Concerning
2 Costs of Subsequent Audit." Respondents understand that by agreeing to this Stipulation, the
3 findings set forth below in the Determination of Issues become final, and the Commissioner may
4 charge Respondents for the cost of any subsequent (follow-up) audit(s) to determine if the
5 violations found in Audit SD220013/SD220016 have been corrected. The maximum cost of the
6 follow-up audit will not exceed one-hundred twenty-five percent (125%) of the cost of Audit
7 SD220013/SD22001622. The total cost of Audit SD220013/SD220016 is \$13,232.28; the
8 maximum cost of the follow-up audit will not exceed \$16,540.35 (or, \$13,232.28 x 125%).
9 Therefore, Respondents may be charged a maximum of \$16,540.35 in the event of a subsequent
10 audit.

11 10. Respondents understand that by agreeing to this Stipulation and pursuant
12 to Code Section 10106, Respondents agree to be jointly and severally liable for payment of the
13 Commissioner's cost of the investigation and enforcement costs (investigative costs) which
14 resulted in the determination that Respondents committed the violation(s) found in the
15 Determination of Issues. The amount of total said investigative costs is \$2,345.75 (comprised of
16 \$992.75 in investigation costs and \$1,353.00 in enforcement costs); therefore, Respondents agree
17 to pay, pursuant to Code Section 10106, the total investigative costs amount of \$2,345.75.

18 DETERMINATION OF ISSUES

19 By reason of the foregoing stipulations, admissions and waivers, and solely for
20 the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed
21 that the following determination of issues shall be made:

22 The conduct, acts or omissions of Respondent FEDERAL HOME LOANS
23 CORPORATION, as described in Paragraph 4, herein above, are in violation of the Real Estate
24 Law pursuant to Code Sections 10236.7(a) and 10236.7(b); Code Sections 10232.45(c) and
25 10232.45(d); Code Sections 10232.3(a)(4)(A) and 10238(h)(4)(A); and Code Section 10162 and

1 Regulation 2715, and are bases for the suspension or revocation of the restricted license and
2 license rights of Respondent FHLC.

3 The conduct, acts or omissions of Respondent EVANGELINE MICHAEL SALAS,
4 as described in Paragraph 4, herein above, are in violation of the Real Estate Law pursuant to
5 Code Section 10177(h), and are basis for the suspension or revocation of the restricted license
6 and license rights of Respondent SALAS.

7 ORDER

8 WHEREFORE, THE FOLLOWING ORDER is hereby made:

9 I.

10 All licenses and licensing rights of Respondents FEDERAL HOME LOANS
11 CORPORATION and EVANGELINE MICHAEL SALAS under the Real Estate Law are
12 suspended for a period of sixty (60) days from the effective date of this Decision and Order;
13 provided, however, that all sixty (60) days of said suspension shall be stayed for two (2) years
14 upon the following terms and conditions:

15 1. Respondents shall obey all of the laws, rules and regulations governing the
16 rights, duties and responsibilities of a real estate licensee in the State of California.

17 2. No further cause for disciplinary action against the real estate license
18 of Respondents occurs within two (2) years from the effective date of the Decision in this matter.
19 If no further cause for disciplinary action against the real estate licenses of Respondents occurs
20 within two (2) years from the effective date of the Decision, the stay hereby granted shall
21 become permanent.

22 3. Pursuant to Section 10106 of the Code, Respondents shall pay the sum of
23 \$13,232.28 for the Commissioner's cost of the audit (SD220013/SD220016) which led to this
24 disciplinary action. In calculating the amount of the Commissioner's reasonable cost, the
25 Commissioner may use the estimated average hourly salary for all persons performing audits of
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1 real estate brokers, and shall include an allocation for travel time to and from the auditor's place
2 of work. Respondents shall pay the Commissioner's cost of the audit within one hundred and
3 eighty (180) days of receiving an invoice therefore from the Commissioner. Payment of audit
4 costs should not be made until Respondents receive the invoice, and Respondents' payment(s)
5 must be delivered in accordance to the invoice instructions. Failure to satisfy this condition in a
6 timely manner as provided for herein, shall result in the automatic suspension of Respondents'
7 real estate licenses until payment of said audit costs is made in full, or until a decision providing
8 otherwise is adopted following a hearing held pursuant to this condition.

9 4. Respondents shall pay the Commissioner's reasonable cost, not to exceed
10 \$16,540.35 [or, 125% of the original audit cost], for a subsequent audit to determine if
11 Respondents have corrected the violations found in the Determination of Issues. In calculating
12 the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated
13 average hourly salary for all persons performing audits of real estate brokers, and shall include
14 an allocation for travel time to and from the auditor's place of work. Respondents shall pay such
15 cost within sixty (60) days of receiving an invoice therefore from the Commissioner. Payment of
16 the audit costs [for a subsequent audit] should not be made until Respondents receive the invoice.
17 If Respondents fail to satisfy this condition in a timely manner as provided for herein,
18 Respondents' real estate licenses shall automatically be suspended until payment is made in full,
19 or until a decision providing otherwise is adopted following a hearing held pursuant to this
20 condition.

21 5. All licenses and licensing rights of all Respondent are indefinitely
22 suspended unless or until Respondents pay the amount \$2,345.75 for the Commissioner's
23 reasonable cost of the investigation and enforcement which led to this disciplinary action.
24 Respondents' payment(s) shall be in the form of a cashier's check or certified check made
25 payable to the Department of Real Estate, and must be delivered to the Department of Real
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1 Estate, Flag Section at 651 Bannon Street, Suite 504, Sacramento, CA 95811, prior to the
2 effective date of this Decision and Order.

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4 DATED: 08-07-24


Julie L. To,
Counsel for Department of Real Estate

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7 II.

8 EXECUTION OF THE STIPULATION

9 We have read the Stipulation and Agreement. Its terms are understood by us and
10 are agreeable and acceptable to us. We understand that we are waiving rights given to us by the
11 California Administrative Procedure Act (including but not limited to Sections 11506, 11508,
12 11509 and 11513 of the Government Code), and we willingly, intelligently and voluntarily waive
13 those rights, including the right of requiring the Commissioner to prove the allegations in the
14 Accusation at a hearing at which we would have the right to cross-examine witnesses against us
15 and to present evidence in defense and mitigation of the charges.


16 III.

17 MAILING AND FACSIMILE

18 Respondents can signify acceptance and approval of the terms and conditions of
19 this Stipulation and Agreement by sending a hard copy of the original signed signature page of
20 the Stipulation herein to Julie L. To, Legal Section, Department of Real Estate, 320 W. Fourth
21 St., Suite 350, Los Angeles, California 90013-1105. In the event of time constraints before an
22 administrative hearing, Respondents can signify acceptance and approval of the terms and
23 conditions of this Stipulation and Agreement by e-mailing a scanned copy of the signature page,
24 as actually signed by Respondent to the Department counsel assigned to this case. Respondents
25 agree, acknowledge, and understand that by electronically sending to the Department a scan of
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1 Respondents' actual signatures as they appears on the Stipulation and Agreement, that receipt of
2 the scan by the Department shall be binding on Respondents as if the Department had received
3 the original signed Stipulation and Agreement

4 DATED: 08.06.2024



FEDERAL HOME LOANS CORPORATION,
Respondent
By: Evangeline Michael Salas,
Designated Officer of Record

8 DATED: 08.06.2024


EVANGELINE MICHAEL SALAS, Respondent

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11 *I have reviewed the Stipulation and Agreement as to form and have advised my*
12 *clients accordingly.*

13 DATED: 8.6.2024



Frank M. Buda, Attorney for Respondents

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16 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
17 Respondents FEDERAL HOME LOANS CORPORATION and EVANGELINE MICHAEL
18 SALAS and shall become effective at 12 o'clock noon on NOV 01 2024, 2024.

19 IT IS SO ORDERED 9/24/2024, 2024.

21 CHIKA SUNQUIST
22 REAL ESTATE COMMISSIONER

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25 By: Marcus L. McCarther
26 Deputy Real Estate Commissioner